

Managers Proposed Budget 05/06

submitted 4/4/05

Expenditures

- Schools operations + \$2,331,494 3.7%
- Town Operations + \$1,659,512 4.1%
- Support Cap Proj + \$ 521,624 34.0%
- Replace exhausted
- Social Svs Reserve + \$ 525,485
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- \$107,701,939 up + \$5,038,115 4.9%

Expense growth averages G.F.

- From 03 to 04 + 0.9 %
- From 04 to 05 + 2.2 %
- From 05 to 06 + 4.9 %
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- 3 year Average + 2.6
- 02 – 03 + 3.1 % before midyear State revenue losses
- Four year average : 2.7% per year cost increase

Town and School “market basket” inflation indicators

- Electric rate +11%
- Sand per ton +64%
- Health Ins Premium +14%
- Road Salt +14%
- Hville Water +15%
- Natural Gas/LP +30%
- Contracted Construction +10%

State Revenue

- State revenue: A mixed Bag
- ECS up @ 450K
- Housing Pilot down @ (160K)
- Conveyance Tax down @ (250K)
- Gambling Revenue up @ 150K
- State “prison” Pilot down @ (100K)
- Positive after years of loss, need to work with State legislators for Prop Tax relief

Local Revenue

- Proposal increases mil rate by 1.78
 - an increase of 5.2%
 - Begin three year reduction of use of reserves or savings
 - 05/06 replace @ 700,000 (use 750K)
 - 06/07 replace @ 500,000 (use 250K)
 - 07/08 replace @ 250,000** (use 0)
- ** (sewer fund)

Eroding ECS funding

- Per pupil allocation 1995/96 \$3199
 - Per pupil allocation 2004/05 \$3384
 - Increase per pupil + 185
 - Adjust for CPI inflation - (590) (14.8%)
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- Per pupil expenditures 92/93 \$6986
 - Per pupil expenditure 02/03 \$9266
 - Increase per pupil \$2280
 - adjusted for Inflation +324 +3.4%

ECS Funding 10 yr “Shift”

- In 10 years we have lost about (15%) in ECS value while expense value is up 3.4%
- That gap has been shifted to Property Tax
- Had ECS JUST kept pace with CPI inflation, we would receive \$3,894,000 more per year (@ 2 mills) This is the “shift”.
- (ditto: TAR, Machinery and equipment tax, LO-CIP support etc.)

Municipal Detail

- No new positions funded
- Health insurance premiums up 14%**
- Electricity rate up 11%**
- Natural gas/LP/Propane up 30%*
- Sand up 64% Salt up 14% Hville water up 15%
- Begin “catch up” for cruiser replacement
- Begin three year replacement PD Mobile Data terminals
- ** Also true for Board of ED

More municipal

- 10K to introduce police dog spring 06
- Stronger grounds maintenance effort
- No workers comp rate increase

Capital Investments

- Tax support for Capital Budget was over 2.1M since 1998 and was as high as
- 2.7 million in 2001
- To keep taxes down - reduced that to
- 1.4 million by 04 (current)
- Demand average @ 5M/year 2005-10
- Must rebuild funding support for many needed investments. Proposed budget starts with \$575,000 increase

Summary

- Inflation pressures of “purchased items”
- Steady erosion of State revenue sources
- need to reduce and eliminate reserve use
- need to reverse decline in Capital investment or get too many years behind
- _____ =
- Pressure on the Property Tax